OFFICE OF CONSUMER COUNSEL
Utility Consumers' Board
Minutes of May 9,2006 Meeting

The meeting was called to order at 12:05 PM with Bill Martin presiding

UCB members in attendance: Bill Martin, John Herzog, Fred Wilhoft, Pam Lorenz, Colin Campbell, Jory Taylor, Steve Shapiro, Kelly Nichols and Dick Mutzebaugh.

OCC Staff in attendance: Jim Greenwood, Cory Skluzak and Rob Trokey

Guest Speaker: Mike Nelson, Director – Government Affairs, Comcast

1. Minutes

The minutes of the April 11, 2006 meeting were approved. Jory asked for clarification on why wireless providers receive high-cost support. Jim replied that the Commission allows wireless providers to request Eligible Provider status and noted that wireless companies pay into the fund.

11. Guest Speaker: Mike Nelson, Comcast

Mike provided background information on Comcast which was founded in 1963 by Ralph Roberts in Tupelo, MS. Comcast has its roots in Wyoming and Colorado via traditional cable television service. Comcast and Time Warner are in the process of buying the assets of Adelphia Communications. Comcast offers cable television, high speed internet and phone service in 35 states. Comcast's services pass 42 million homes. They currently have approximately 22 million video subscribers, 9 million high-speed internet subscribers and 1.3million voice lines. The average video subscriber pays $84 per month, while internet and voice services average $42 and $35 per month, respectively. In Colorado, the company is investing $600 million upgrading its network to allow two-way processes such as on-demand features, internet and voice service. They have about 4,000 employees in Colorado and their services pass roughly 1.4 million homes.

The trend, according to Mike, was increased competition in the market. Everyone is getting into everyone else's business. Qwest and Verizon are looking to get into the video service. Qwest, he said, is a little behind and it's possible that Qwest will not remain out on its own since we are experiencing convergence in the market. Cable rights were traditionally exclusive with little or no competition. It would have been cost prohibitive to lay additional fiber or cable to duplicate the services. As a result, the cable industry grew without competition. Satellite services were introduced and offered the first real competition. Approximately 30% of the market still receive television service over the air, 50% have cable and 20% have satellite. Consequently, Mike indicated that it is difficult to view cable as a monopoly. He said there is major competition, which is good for the industry. With high-speed internet there are three major players: 1. Dial-up (which is going away), 2. DSL, and **3.** Comcast. DSL offers speeds of up to 1.5 mbps (megabits per second), while Comcast's high-speed offering provides speeds up to ***6*** mbps. DSL is sufficient for most people. Comcast faced competition from satellite carriers, so it was forced to upgrade its network and was not able to compete on price alone. Since Comcast now has the advanced network, the local exchange companies are now feeling pressure to upgrade their systems as well. Qwest is now installing fiber to the home and, in some areas, this is part of the homeowners association fee.

Comcast launched its digital voice product and now competes for phone service. The previous circuit switched voice product was launched in 1999-2000, but it wasn't available to roughly half of the Comcast footprint. About 1.4 million homes now have the option to get digital voice service which is good for competition. Mike then summarized the penetration rates in 1980 compared to 2005 for cable and telephone. High-speed internet and video showed a decent amount of competition, while there was very little competition in the telephone market. Qwest, for instance, provides service to approximately 94% of the 2.7 million lines in its service territory.

Dick Mutzebaugh asked whether satellite service is a growing business. Mike replied that satellite is growing, while over-the-air and cable's share of the market is declining. He said it's expensive to bring fiber to the home as an upgrade. The cable industry was built on at-risk capital, while incumbent local exchange carriers (ILECs) have traditionally had rate of return regulation and guaranteed returns. ILECs are now changing their way of thinking and believe their plant needs to be upgraded. Qwest also doesn't want to serve everyone (or be required to do so). Comcast, on the other hand, is able to serve everyone in its service territory. Consequently, Comcast believes there needs to be a level playing field for competition. Video regulation is changing, but mostly handled at the city level. With traditional cable franchise rights, the same service is required to be available at all locations. Cable also does not have high-cost support. Once competition exists, cable television service may deaverage rates (rates may drop in some areas and go up in others). John Herzog asked if there's any regulation of cable prices. He noted that the price of basic cable in his area has quadrupled. Mike said the cable companies pass on the higher prices charged by the cable channels.

Jim asked about Comcast's perspective on VoIP with respect to emergency services. Mike said Comcast is the industry leader for IP-based phone service with Enhanced 9-1-1 service. Jim then asked how telephone service market shares might change as competition develops. Mike said the Aurora test-market had a 50% penetration rate in some areas. The projection being made to Wall Street is that roughly one-third of Comcast's customer base will take the phone service. Jim added that Qwest now has an alternative form of regulation, which is expected to make it more competitive, but still has a price cap. As competition grows, Qwest is expected to push to get rid of the price cap. Mike said it would not be beneficial to remove the price cap. Comcast only offers an all-you-can-eat service and doesn't have stand-alone basic local phone service. Comcast's services allows consumers to customize features and gives them access to voice mail. The $14.74 statutory rate cap is important for customers who can't afford

$55 for Comcast's service. Jim agreed that many customers only want the basic local service.

III. Discussion Items:

PSCo Phase I Electric Rate Case

PSCo has asked for a $208 million base-rate increase. This is approximately a 10% overall rate increase, and an 11% increase for residential consumers. Part of the request is to recover financing cost related to the Comanche III coal plant in Pueblo, a $1.3 billion project. These costs are usually not recovered until the facility is in service. Colorado needs additional coal generation and this is the first coal-fired facility since 1981. PSCo's debt rating is also just one grade from junk status, which impacts rates - a lower debt rating results in having to pay higher interest on its debt. The Coal facility was part of the least-cost option and preference was given to the company to build the plant as this was a preferable alternative to buying generation from independent power produces (IPPs). IPP contracts are typically for 10 years and are imputed as debt on the capital structure by credit rating agencies.

PSCo is also seeking an 11% authorized return on equity, which is currently at 10.75%. Additionally, they are seeking to increase certain depreciation rates and have proposed a 1.5% per month late payment fee. The OCC would prefer to have positive incentives for paying hills on time rather than a late payment fee. John Herzog asked if we look at executive compensation. Jim replied that the OCC does review executive compensation and bonuses in the rate case. Pam Lorenz asked if there are ever graduated increases where, as the consumer uses more, they would be required to pay a higher rate. She said this might make it easier on low-volume, low-income customers. Jim answered that rate design is always an important issue and that this would be a good approach. Implementation of this approach, though, can he expensive.

PSCo Report on Rolling Blackouts

The parties are now in the process of issuing discovery questions. The OCC and Staff of the Commission will be meeting with PSCo in the near future. PUC Staff is expected to file a report in mid-June.

IV. Legislative Items

The OCC's priority during the legislative session was to make sure that both the OCC and UCB continuation bills passed. Both bills were passed. Another bill would have increased Natural Gas Demand-Side Management (DSM) by providing weatherization for homes and more efficient appliances. This bill was sent to the Governor for signature. The PUC will need to adopt rules for managing these DSM programs. Another bill would permit an experimental Integrated Gasification Combined Cycle (IGCC) plant which turns coal into gas and bums the gas to generate electricity. This would be the first such plant at altitude and would be eligible for funds based on the Federal Energy Act. HB1325, which was signed by the Governor, calls for a task force to study the reliability of transmission infrastructure in Colorado. HB1200, the Low-

Income Energy Assistance Act, was also signed. The bill to elect PUC commissioners did not pass.

V. Miscellaneous Items

Future UCB meetings are scheduled at noon on July 11, September 12 and November 14.

The meeting was adjourned at 2:00 pm.

The Denver Business Journal - April 10, 2006
http:lldenver.bizjournals.com/denver/stories/2006/04/10/story8.html

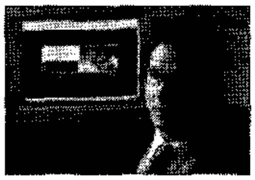
DENVER BUSINESS JOURNAL

BUSINESS PULSE SURVEY: Wearing casual clothing in the office

Internet services for business get push from Comcast

The Deliver Business Journal - April 7,2006 **by Bob** Mook **Denver Business Journal**

After investing more than $400 million to improve its Denver-area network, Comcast Corp. is stepping up efforts to reach small-to-midsized businesses -- giving Qwest Communications International Inc. more competition in the high-speed Internet market.



Kathleen Lavine

Michael Soileau, senior director of business services at Comcast. stands before the business services Web site

View Larger

Last year, Comcast introduced Voice-over-Internet Protocol (VoIP, or phone service through the Internet) for residential customers in the Denver area.

Telecommunications observers say the move could further diminish Qwest's share of its traditional voice market, which already is slipping as more customers switch to wireless.

To further complicate the competitive arena, Denver-based Qwest plans to encroach on Comcast's traditional market by offering video service in select Denver suburbs. Qwest's plans still need to be approved by a metro-area telecommunications consortium.

Michael Soileau, senior director of business services for Comcast, said high-speed Internet services have been available through the Philadelphia-based cable giant since it acquired AT&T Broadband for $72 billion in 2002.

But until recently, Comcast didn't aggressively push the offering because, Soileau said, the network lacked the bandwidth to adequately serve many business clients.

Comcast now offers businesses speeds up to eight megabytes per second for up to 25 computers Prices range from **$95** to $160 a month.

The service is available in commercial buildings near neighborhoods where Comcast already provides cable TV, high-speed Internet and phone service.

Soileau declined to say how many business customers use the service, but estimated the number of Denver-area subscribers at "several thousand." He claims the business customer base is growing monthly at "a robust rate."

To make the service more attractive to business customers, Comcast offers complimentary online access to the McAfee suite of antivirus and security-related software. New customers can take advantage of an introductory offer that provides the service free for the first two months.

Making a play for business customers is a smart move for Comcast, said Craig Moffett, senior cable and telecommunications analyst for Sanford C. Bernstein & Company LLC, a New York-based equity research firm.

"Business services is the next big thing for the cable industry," Moffett said. "The market is just as large [as residential] but with better margins."

Moffett said Comcast rivals Cox Communications and Time Warner Cable have penetrated more of the market than Comcast.

"Comcast is not the leader among cable operators in the business market," Moffett said. "It was late to the party in offering VoIP. They have a history of focusing on one thing at a time, doing it right and moving on."

Cox, which got a big head start on the commercial services market, already services large enterprise customers, including hospitals and hotels, Moffett said.

Moffett said Comcast could pick up more business customers by offering VoIP, but Soileau said Comcast has no immediate plans to do so.

Still, Moffett said it will be a "long time" before the cable giant will be able to compete for large enterprise accounts or managed data networks.

"The best they can offer is plain vanilla voice and data," he said. "But the benefit is that it still means some very attractive margins for Comcast."

Soileau said an added benefit is that businesses can receive cable television packages that are relevant to their company.

The commercial services packages also allow businesses to conduct online meetings, set up their own Web sites (complete with a domain name) and provide 20 business-class e-mail addresses per subscriber.

Rocky Mountain News

URL: http://www.rockymountainnews.com/drmn/tech/article/0,2777,DRMN_23910_5003710,00.html

Comcast to hire 500

New service centers planned in Springs and in Centennial

By Joyzelle Davis, Rocky Mountain News
September 19, 2006

Comcast on Monday said it will add more than 500 new jobs with the creation of two customer service centers in Centennial and Colorado Springs, continuing the cable company's recent hiring binge.

The 500 jobs come on top of the more than 200 technician and customer service positions Comcast announced this year to keep pace with the increasing popularity of its bundled package of cable TV, high-speed Internet and digital voice service.

Nationwide, Philadelphia-based Comcast has said it plans to hire another 3,000 workers this year.

The Centennial customer call center will be Comcast's second technical support center nationwide focused on Comcast's business customers

The Colorado Springs call center initially will handle local customers that Comcast acquired July 31 as part of its joint acquisition with Time Warner of bankrupt cable operator Adelphia's assets. Comcast gained Adelphia's nearly 100,000 Colorado Springs customers as part of the purchase but didn't get its 600-employee call center, which went to Time Warner.

Comcast already is hiring for the positions. Starting pay ranges from $11 to $13 an hour, and the company expects both centers to be fully staffed by late 2007. Applicants can submit resumes online at comcast.com.

"These positions are great ways for employees to start their careers at Comcast," said Susan Rardin, Comcast Colorado's vice president of customer service.

Rardin began her career 25 years ago as a call center employee for Tele-Communications Inc. in Topeka, Kan

Comcast, which has about 800,000 customers in the state, currently has about 4,000 workers in Colorado.

Comcast Corp.

CMCSA:Nasdaq

$34.18

- 28 cents

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TELECOM REPORT

Comcast confident in cable-phone war

Analysis: Cable firm believes early advantage *is* crucial

By Jeffry Bartash, Marketwatch
Last Update: *5:10* PM *ET Dec **8,*** 2006

WASHINGTON (Marketwatch) -- **The** battle between cable and phone companies to dominate in **U.S.** households **is** just starting to sizzle, but cable leader Comcast Corp. isn't feeling the heat --yet.

Executives of the cable giant, which delivers television to more than **24** million households, say they won't lose many TV customers over the next three years to AT&T Inc. and Verizon Communications as those two behemoths ramp up their new video services. Phone carriers are upgrading networks for video to counter the entry of the cable industry into the phone business.

Whatever customers Comcast does lose, cable executives say, would be more than offset by big gains in phone and high-speed Internet users from now until 2010.

"In that time frame, it is entirely conceivable and even probable that we could add 10 million phone customers," said John Aichin, co-chief financial officer of Comcast. "We could add *5* million high-speed Internet customers."

Early advantage

Comcast (CMCSK)thinks those sorts of gains are reasonable given the low percentage of customers who now subscribe to those services.

Although Comcast serves **11** million high-speed Internet customers, more than any other cable or phone rival, that only represents 24% of the homes within its territory. And only 2.1 million customers, or **4%** of Comcast's potential base, subscribe to phone service.

"Our own penetration rates still leave us a huge amount of upside," Alchin said.

Part of what makes Comcast executives so confident is that the company moved into the phone market earlier than the phone companies entered the video business. They believe that will allow Comcast to sell phone plans much faster than Verizon (VZ) and AT&T (T) will add video customers.

"We had much more experience to be able to scale what we're doing right now on the phone side compared to the telcos trying to get into the video business," said Dave Watson, executive vice president of operations at Comcast. "Video is difficult for somebody just starting off."

So far, the data supports that contention. Comcast had added 1 million digital-phone customers in the first nine months of 2006, the first year the company has heavily marketed the service to most of its subscribers.

Verizon, on the other hand, said it expects to sign up about 175,000 customers by year end for the TV service it's offering over the company's new multibillion-dollar fiber network. And AT&T, which has proceeded more slowly than Verizon, only has a few thousand video customers so far.

Leveling the playing field

Of course, the phone companies are still rolling out their TV service and most of their customers aren't eligible to receive it right now for technical or legal reasons. That will change start to change in **2007**

"You will see both a number of markets and a number of households being covered and marketed to expand dramatically throughout the year," AT&T CFO Rick Lindner said this week.

For now, the bigger threat Comcast faces comes from Verizon. Still, cable executives estimate they would lose no more than **650,000** video customers **to** Verizon over the next three years.

Alchin points out that only one-third of the territory covered by Comcast and Verizon overlap. Even if Verizon achieves its target of reaching **15** million homes with its fiber-TV service by **2010,** only about **5** million of those homes would be in regions served by Comcast.

What's more, Verizon has said its goal by 2010 is to achieve a penetration rate of 20%, meaning the company hopes to sign up one in every five households capable of receiving the fiber-TV service. Verizon CFO Doreen Toben said internal surveys show that about two-thirds of the company's initial fiber-TV customers switched from cable and the rest came from satellite.

If Verizon meets its goal, Comcast calculates the phone company would siphon off about **1** million video customers in its territory, including a sizable segment who are served by satellite operators DirecTV and The Dish Network.

Alchin figures half to two-thirds of Verizon's video customers would be Comcast defectors, representing a potential loss of **500,000** to **650,000** subscribers. Yet those losses would be miniscule compared Comcast's expected gains in phone and high-speed Internet users.

"We think we are going to do very, very well in this competition," Alchin said

Just to be sure, though, Comcast is holding the line on cable prices. The company's planned increase in **2007** for its most basic TV package is expected to average about **4.5%.** the lowest in more than 10 years, The Wall Street Journal reported this week.

Customers, it seems, are likely the biggest winners in the intensifying competition between the cable and phone industries.

Jeffry Bartash is a reporter for MarketWatch in Washington.

Reed Business Information

Multichannel NEWSWIRE

Slow But Sure. Comcast Finds Its Voice

By K.C. Neel 9/25/2006

In this story:

When Comcast Corp. decided to enter the digital voice business, it went about it in the way that it launches all of its products: methodically and, when management believed the time was right, with gusto.

That doesn't mean Comcast was the first multiple-system operator to offer digital voice services. Indeed, it was behind the curve compared to peers Time Warner Cable and Cablevision Systems Corp., both *of* which launched phone services months before Comcast made its first digital offer to consumers.

But the wait paid off. Comcast is adding more than 23,000 new customers to its Comcast Digital Phone service every week, tallying 306,000 net new phone customers in the second quarter. The results blew past most analysts' expectations and Comcast stock has climbed steadily since the company posted its iatest financial results on July 27.

Comcast didn't want to lease the equipment and infrastructure, as was the case with the switched-circuit phone offering it inherited when it purchased AT&T Broadband. So the company opted to own and integrate its back-office, gateway and soft-switch equipment with the modems in customer homes before rolling out its phone product on a national basis.

The decision delayed the rollout of digital-phone service, but "they're now reaping the rewards of lower variable costs, and therefore higher margins," Sanford Bernstein & Co cabie and satellite analyst Craig Moffett wrote in a recent research report

"Comcast Digital Voice is driving tremendous adoption of the other products."

Comcast's digital phone product is different from "what I call an over-the-top, real Internet phone provider because we have a network that sits behind our service," said Catherine Avgiris. senior vice president and general manager of Comcast Voice Services. Without that control, "you can get into reliability issues," she noted. "[With some VoIP networks] the features aren't all there. We provide the same features and more at a more competitive price on our managed network, so there's the same reliability, safety and security, with 911, and E-911, that customers expect from a traditional phone-service provider ...

"You're going to be able to do more feature management and be able to customize your service and personalize your service and communicate how you want from where you want when you want." Avgiris said.

TAKING IT EASY

David Juliano
Executive VP, Product Marketing and Development

It's all part of Comcast's strategy of offering products that "are easy to understand, easy to acquire, easy to use, and easy to pay for," said executive vice president of marketing and product development David Juliano. "If you think about that, and you go back, even historically — and don't confine yourself to cable, but any products that are sold in America — when products are easy to understand, easy to acquire, easy to use and easy to pay for, customers will both buy more of your product and pay more for your product because that is the natural adoption pattern for the American consumer."

It's apparently working. Comcast expects to add 1.3 million to 1.4 million digital-phone customers for the year, instead of the previously estimated 1 million additions. Comcast has been adding about 23,000 phone subscribers per week, up from 10,000 weekly a year ago.

At this point, 35% of new customers calling into Comcast are subscribing to the operator's triple-play bundle and paying an average $120 monthly for those services, chief operating officer Steve Burke told analysts during the company's second-quarter conference call.

"The phone business is coming into its own and is driving an era of growth we haven't seen for a long time," CEO and chairman Brian Roberts said during the conference call.

Analysts are pleased with the results. "Comcast likes end-to-end control, which is what they have with their phone division, and it shows their confidence in the upside growth potential of the business," said Matthew Harrigan, a media analyst with Denver-based research and investment firm Janco Partners. "I don't think its unreasonable to assume that they can eventually reach penetration rates in the low- to mid-20% range.

"They have a strong marketing momentum going right now and there aren't many barriers to growth on the phone and data side of the business. Video will always be the largest business in terms of cash-flow contribution, but voice and data are the growth engines and the economics of those businesses are very attractive."

A BASIC DRIVER

Video growth may be minimal. but Comcast's basic-penetration rates — especially in old AT&T Broadband and now some Adelphia Communications Corp. markets — are below the national average, which means there may be more upside on the video side of the business than for other operators. Bundling products will likely help as well, Harrigan said.

"Brian Roberts used to regard bundling as closet discounting," Hanigan said. "But the company is now more flexible with its packaging and bundling and consumers are reacting positively."

To be sure, Comcast executives said the company's phone service is helping drive penetration of the company's other services. "Comcast Digital Voice [CDV] is driving tremendous adoption of the other products," Juliano said. "So 75% *of* our voice customers take three products. Almost all *of* our voice customers take two products or more. I think 98% or so take two products or more."

To wit, in Boston — Comcast's most mature phone market — the operator went from a loss of 16,000 basic customers in 2005 to a gain of 1,000 customers in the second quarter, Burke told analysts.

"In Boston, I think it's fair to say we're seeing a greater uplift in high-speed data and basic subs than other markets," Burke said. "As a whole, we don't think the triple play is materially affecting our basic subs now, but we're clearly seeing trends that would suggest it will, once you get out a couple of quarters."

But Comcast may have gotten a boost in subscriber numbers in its New England region because of a recent marketing promotion that is pushing a triple play rate for a bundle of bare-bones basic video, high-speed Internet and telephone service to just $69 per month, for subscribers that have bolted to DirecTV Inc., RCN Corp. and other rivals. The deal is available only to defectors and doesn't include digital video service. In other markets, digital video, high-speed data and local phone service cost $99, part of a national campaign as Comcast rolls out phone service across the country

Comcast's management initially thought the company's rollout of VoIP service would be a drag on 2006 Operating cash-flow growth.

"In reality," Burke told analysts, "due to the triple play. we're seeing the benefits of less discounting on our video and high-speed data business. We're also seeing the benefits of scale and running three products over the same infrastructure. As a result, operating cash flow growth has accelerated from 10% to 13% and that acceleration should continue as we add more triple play customers in the future."

MOVING BEYOND TV

Comcast is clearly pushing its triple-play bundle, but the operator is also aiming its sights at non-cable homes with data and phone bundles. Indeed, Roberts told attendees of a Citigroup investment conference in Phoenix in January that market-share gains are more achievable for those products than for video services.

"I think you have to move way beyond looking at basic subscribers." he told analysts at the time.

The data-and-voice bundle is financially efficient because the same cable modem that handles data traffic can handle phone traffic via the same IP platform. Data-only modems cost about $40, while a phone-and-data modem costs about $70, according to Scientific Atlanta. A new phone customer therefore pays the operator back for incremental equipment costs in less than one month.

A monthly $80 data-and-voice bundle might produce $50 or more in profit — about a 60% margin, Leichtman Research Group president Bruce Leichtman said. Because of programming costs, video-only margins typically run in the 35% to 40% range, he noted. That also means cabie can target satellite subscribers, offer a data and voice Service that DBS can't provide and increase profits and revenue, even without getting the video piece.

Moreover, cable customers tend to be happier with their phone and data service than they are with their video service, making it easier to sell those products, Leichtman said.

"Cable is still being held down [in customer satisfaction surveys] by their legacy on the video side of the business," he said. "But they've been able to overcome that with their other services such as broadband and phone."

Juliano estimates that between 20% and 25% of Comcast's switched-circuit customers take only phone service from the cable company.

"So obviously, they represent an opportunity for us to sell the other two products in there that we've not had an opportunity to sell before and get them into the triple play," he said. Comcast will continue selling its Digital Voice service a la carte and as part of a high-speed data bundle, but Juliano noted that the majority of customers continue to subscribe to multiple services,

SPEEDING INSTALLATIONS

Comcast's biggest restraint in phone customer growth is its ability io install customers in a timely fashion, It expects to add 3.000 field technicians this year and bolster its outside contractor list to help keep the installation time to a minimum. Some technical hoops must still be jumped through, but Juliano noted Comcast is working to create a self-installation process so consumers can hook themselves up to digital-phone service much the same way high-speed data customers have been able to sign on for service.

"I mean there's nobody else in the cable industry that's thinking about that yet, but we've got to figure out a way so that when we get to the Best Buys and Circuit Citys and the customers are looking to buy the new 5.8 Gig multiple handset, then it can come with the MTA [multimedia terminal adapter] and a little instruction kit that says take this home and install it yourself," Avgiris said. "You don't have to wait for the professional installer. If you'd like, we'll install it for you."

"We're not going to dive off a cliff (Migrating circuit-switched customers) is something that we want to take our time doing."

Catherine Avgiris
Comcast Voice Services

The MSO initially rolled out its voice-over-Internet protocol phone product in markets where it wasn't offering switched-circuit service, Avgiris said. "When we first launched CDV, we were careful," she said. "We wanted to obviously raise the entire phone customer base, so we went into the areas that we had not launched phone first." Now however, Comcast is working to migrate its switched-circuit customers, albeit gradually.

"We do have a plan to slowly migrate customers off, but we never really built out phone in any one market *to* any great extent," she said. "So there were very few of the originally AT&T Broadband markets that had the circuit-switched phone rolled out as ubiquitously as now CDV is."

"We're not going to dive off a cliff," Avgiris said. "This is something that we want to take our time doing and make sure that we have provided a good experience to these customers. So over the next couple of years, you'll see more customers migrating, but up until this point, the CDV customers really have been new because it's come from new footprint.'

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comcast,

PRESS RELEASE

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COMCAST REPORTS 2006 RESULTS AND OUTLOOK FOR 2007
ANNOUNCES 3-for-2 STOCK SPLIT

Triple Play and superior products power record-setting results

4th Quarter Cable Revenue increased 14%
Cable Operating Cash Flow increased 17%

Added 5 Million RGUs in 2006 – up 69%
Cable Revenue up 12%
Cable Operating Cash Flow up 15%

Expects Another Record-Setting Year in 2007 – 6.5 Million New RGUs
Minimum 14% Cable Operating Cash Flow Growth

Philadelphia, PA – February 1, 2007...Comcast Corporation (NASDAQ: CMCSA, CMCSK) today reported results for the quarter and the year ended December 31, 2006. The following table highlights financial and operational results (dollars in millions, except per share amounts; units in thousands):

			Growth	
Consolidated	4Q06	2006	Quarter	Year
Revenue	$7,031	$24,966	30%	18%
Operating Cash Flow [1]	$2,594	$9,442	30%	19%
Operating Income[1]	$1,218	$4,619	43%	31%
Earnings per Share'	$0.18	$1.19	200%	183%
Pro Forma Cable'				
Revenue	$6,894	$26,339	14%	12%
Operating Cash Flow	$2,749	$10,511	17%	15%
Revenue Generating Unit Additions	1,632	5,026	77%	69%

Brian L. Roberts, Chairman and CEO of Comcast Corporation, said, "2006 was simply our best year ever. Powered by our triple play offering and superior products, we added more RGUs than at any other time in our history and reported terrific growth in cable revenue and Operating Cash Flow. This record-setting performance demonstrates substantial operating momentum, and we could not be more enthusiastic about the future, Looking ahead, we are perfectly positioned to continue to offer consumers the best entertainment and communications value proposition available anywhere, and to continue to deliver significant value to our shareholders."

Mr. Roberts added, "Reflecting our strong results and outlook, our Board of Directors authorized a 3-for-2 stock split – the 11th stock split in our company's history."

***See* notes on page 6**

Pro Forma Cable Seqment Results'

Year ended December 31. 2006

Cable results are presented as if the acquisition of Susquehanna Communications and the Adelphia/Time Warner transactions were effective on January 1, 2005. Cable results also include the results of the Houston, TX cable systems received with the dissolution of the Texas/Kansas City cable partnership as if that transaction was effective on January 1, 2005. (See note 2 for additional details).

Revenue increased 12% to $26.3 billion for the year reflecting increasing consumer demand for Comcast's services and the success of Comcast's Triple Play offer.

Revenue generating units (RGUs)[3] increased 69%, or a record 5.0 million from prior year net additions of 3.0 million, to end the year at 50.8 million RGUs.

Operating Cash Flow (as defined in Table 7) grew 15% to $10.5 billion resulting in an Operating Cash Flow margin of 39.9%, an increase from the 38.8% reported last year. The margin improvement reflects strong revenue growth and our continuing success in controlling the growth of operating costs. In 2006, programming expense increased 8% to $5.4 billion, Comcast hired and trained 6,500 new employees to support higher service and installation activity that resulted from record RGU additions and integrated lower-margin operations received with the cable system acquisitions.

Video

- Added 1.9 million new digital cable subscribers in 2006 – 59% above last year
- Added 80,000 basic cable subscribers during 2006 compared *to* a loss of 141,000 in the prior year

Video revenue increased 8% to $16.6 billion in 2006, reflecting growth in both basic and digital cable customers and increased demand for advanced digital features including ON DEMAND, digital video recorders (DVRs) and HDTV programming, as well as higher basic cable pricing.

Basic cable subscribers increased by 80,000 to 24.2 million during 2006 with 12.7 million or 52% of video customers taking digital cable services. Comcast added 1.9 million digital cable customers in 2006, an increase of 59% from the 1.2 million digital cable customers added in 2005. The digital cable customer additions in 2006 include 900,000 digital cable and 1.0 million Digital Starter subscribers. During the year, 1.5 million digital cable customers subscribed to advanced services, like DVR and HDTV, either by upgrading their digital cable service or as new customers. Customers subscribing to digital cable with advanced services pay $75 or more per month, 15% more than the average Comcast Digital Cable subscriber. Growth in video revenue also reflects increasing ON DEMAND movie purchases. Pay-per-view revenue increased 27% to $633 million in 2006.

High-speed Internet

- Added 1.9 million high-speed Internet subscribers during 2006 - highest level *of* annual additions in Company history

High-speed Internet revenues increased 23% to $5.5 billion in 2006, reflecting a 1.9 million or 19% increase in subscribers from the prior year and relatively stable average monthly revenue per subscriber. Comcast ended 2006 with 11.5 million high-speed Internet subscribers or 25% penetration of our footprint.

Phone

- Added over 1.5 million Comcast Digital Voice (CDV) customers compared *to* 290,000 in the prior year
- *CDV service* now marketed *to* 32 million homes representing 68% of Corncast's footprint

Phone revenue increased 45% to $955 million due to significant growth in CDV subscriber additions, offset by a $132 million decline in circuit-switched phone revenues as Comcast primarily focuses on marketing CDV in most markets. Comcast ended 2006 with a total of 1.9 million CDV customers or 5.7% of available homes.

***See* notes on page 6**

Advertising revenue increased 13% to $1.7 billion in 2006 when compared to 2005, reflecting strong political advertising growth in the second half of 2006. Comcast reported political advertising revenue of more than $90 million in 2006.

Capital expenditures of $4.6 billion increased 15% in 2006 reflecting primarily the record increase in RGU additions during the year. Comcast added 69% more RGUs in 2006 than 2005. Consistent with historical trends, approximately 75% of cable capital expenditures were variable and directly associated with demand for new products in 2006.

Comcast delivered strong cable results as compared to the annual guidance updated on October 26, 2006:

	Guidance	**Results**
Revenue growth	10 - 11%	12%
Operating Cash Flow growth	At least 13%	15%
RGU addition growth	Approximately 60%	69%
Capital expenditures	Approximately $4.5 billion	$4.6 billion

Fourth Quarter 2006

- Added *1.6* million *RGUs* during the quarter - most quarterly additions in Company history
- Record RGU additions fueled *14%* growth in revenue and *17%* growth *in* Operating Cash Flow

Comcast Cable reported revenue of $6.9 billion in the fourth quarter of 2006, an increase of 14% from the prior year. Video revenue increased 9% reflecting growth in both basic and digital cable customers and increased demand for advanced digital features, such as DVR and HDTV. Comcast Cable added 613,000 digital cable subscribers and 110,000 basic cable subscribers during the fourth quarter of 2006, each representing the highest quarterly additions in more than 10 years. Driven by increasing ON DEMAND movie purchases, pay-per-view revenue increased 24% to $159 million in 2006. Pay-per-view revenue has increased more than 20% on average for the past eight quarters.

High-speed Internet revenues increased 23% in the quarter to $1.5 billion. The strong growth includes the addition of 488,000 high-speed Internet subscribers, a 12% increase from the same period last year and relatively stable monthly revenue per subscriber. Cable phone revenue increased 77% in the fourth quarter of 2006 to $302 million reflecting the addition of 508,000 CDV customers offset by the decline of 87,000 circuit-switched customers during the quarter.

Advertising revenue increased 26% to $501 million in the fourth quarter of 2006, reflecting double-digit growth in local and regional/national advertising, as well as a five-fold increase in political advertising to $54 million principally associated with the fall 2006 elections.

Operating Cash Flow grew 17% to $2.7 billion during the quarter, reflecting strong revenue growth and the Company's success in controlling the growth of operating costs, even as we experience higher service and installation activity from record RGU additions and integrate recently acquired cable systems. Operating Cash Flow margin for the quarter was 39.9% compared to 38.9% one year ago.

Comcast Cable capital expenditures of $1.4 billion for the quarter were 43% higher than the fourth quarter of 2005 driven by the record RGU additions during the period. Comcast added 77% more RGUs in the fourth quarter of 2006 than 2005.

Proarammina Segment Results[4]

Comcast's Programming segment consists of our national programming networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, VERSUS (formerly OLN), G4 and AZN Television.

The Programming segment reported 2006 revenue of $1.1 billion, a 15% increase from 2005, reflecting increases in network ratings, advertising and distribution revenue. Operating Cash Flow decreased 11%

See notes on **page** 6

to $241 million in 2006, reflecting investments in programming at all our networks, particularly programming and production expenses related to VERSUS' coverage of the National Hockey League.

For the fourth quarter of 2006, Comcast's Programming segment reported revenue of $283 million, a 21% increase compared to the prior year and Operating Cash Flow of $43 million, an increase of 35% from the same period last year reflecting increases in network ratings, advertising revenue and distribution revenue.

Corporate and Other[4]

Corporate and Other includes Comcast Spectacor, corporate overhead and other operations, and eliminations between Comcast's businesses. In 2006, Comcast reported Corporate and Other revenue of $203 million and an Operating Cash Flow loss of $362 million, as compared to revenue of $170 million and an Operating Cash Flow loss of $313 million in 2005.

For the quarter ended December 31, 2006, Corporate and Other revenue increased to $90 million from the $72 million reported in 2005. The Operating Cash Flow loss for the fourth quarter of 2006 was $109 million compared to a loss of $77 million in 2005.

Consolidated Results

Year ended December 31, 2006

Consolidated results include all acquisitions as of the date of their closing. Comcast acquired Susquehanna Communications in April 2006 and completed the Adelphia/Time Warner transactions in July 2006. As part of the Adelphia/Time Warner transactions Comcast transferred cable systems serving Los Angeles, Dallas and Cleveland to Time Warner (presented as discontinued operations for all periods). Consolidated results, as of December 31, 2006, include our interest in the Texas/Kansas City cable partnership as an equity method investment.

Revenue increased 18% in 2006 to $25.0 billion while ***Operating Cash Flow'*** increased 19% to $9.4 billion and ***Operating Income*** increased 31% to $4.6 billion. This significant growth was due to strong results at Comcast Cable and the impact of cable system acquisitions in 2006.

Net Income increased to $2.5 billion, or $1.19 per share, in 2006, compared to net income of $928 million or $0.42 per share in 2005. In addition to strong operating results at Comcast Cable, the year includes an estimated one-time gain, included in investment income, of $646 million (or $405 million net of tax) related to the Adelphia/Time Warner transactions. Also included in this year's results is a one-time gain of $195 million, net of tax, on discontinued operations related to the transfer of cable systems to Time Warner. Excluding these gains and reconciled in Table 7-C, Adjusted Net Income for 2006 would be $1.9 billion or $0.90 per share.

Net Cash Provided by Operating Activities increased to $6 6 billion in 2006 from $4.8 billion in 2005 due primarily to stronger operating results, the cable system acquisitions and changes in operating assets and liabilities.

Free Cash Flow (described further on Table 4) increased $628 million to $2.6 billion in 2006 compared to $2.0 billion in 2005, due primarily to growth in consolidated Operating Cash Flow, the cable system acquisitions and changes in working capital.

Fourth Quarter 2006

Driven by strong results at Comcast Cable and the impact of cable acquisitions in 2006, Comcast reported consolidated revenue of $7.0 billion, an increase of 30%, in the fourth quarter of 2006 while consolidated Operating Cash Flow' increased 30% to $2.6 billion. Consolidated operating income increased 43% to $1.2 billion in the fourth quarter of 2006 compared to $849 million reported in 2005.

Net income increased to $390 million, or $0.18 per share, for the fourth quarter of 2006 compared to net income of $133 million, or $0.06 per share, in the prior year. Strong operating results at Comcast Cable contributed to the growth in net income. Included in this quarter's results are two adjustments reducing the gains recorded on the Adelphia/Time Warner transactions in the third quarter of 2006. These reductions represent a refinement of estimated gains due primarily to updated valuations. The first

See notes on page 6

adjustment, included in investment income, is $49 million (or $30 million net of tax). The second is an adjustment of $39 million net of tax on the gain on discontinued operations related to the transfer of cable systems to Time Warner. Excluding these adjustments and reconciled in Table 7-C, Adjusted Net Income for the fourth quarter of 2006 would be $459 million or $0.21 per share.

Pro Forma Consolidated Results?

Pro forma consolidated results are presented as if the acquisition of Susquehanna Communications and the Adelphia/Time Warner transactions were effective on January 1, 2005. Pro forma consolidated results also include the results of the Houston, TX cable systems received with the dissolution of the Texas/Kansas City cable partnership as if that transaction was effective on January 1, 2005 as well. (See note 2 for additional details).

Revenue increased 12% to $27.6 billion in 2006 while ***Operating Cash Flow*** increased 14% to $10.4 billion for the year reflecting record setting results at Comcast Cable.

Comcast delivered strong consolidated results as compared to the annual guidance updated on October 26, 2006:

	Guidance	Results
Revenue growth'	10 - 11%	12%
Operating Cash Flow growth[5]	At least 12%	14%
Free Cash Flow Conversion	25-30%	28%

Share Repurchase Proaram

In 2006, Comcast repurchased $2.3 billion or 75.4 million Class A Special Common (CMCSK) shares, reducing the number of total shares outstanding by more than 3%. Comcast repurchased $447 million or 11.2 million shares of its CMCSK stock during the fourth quarter of 2006.

Availability under the Company's stock repurchase program, as of December 31, 2006, is $3.0 billion. Comcast expects that repurchases continue from time to time in the open market or in private transactions, subject to market conditions.

Since the inception of the repurchase program in December 2003, the Company has invested $7.4 billion in its common stock and related securities, reducing the number of shares outstanding by 11%. These investments include repurchasing $6.0 billion or 202.3 million shares of common stock and redeeming several debt issues for $1.4 billion that were exchangeable into 47.3 million shares of common stock. The share amounts above are not adjusted for today's announced stock split.

2007 Financial Outlook

- Cable revenue growth of at least 12%[2]
- Cable Operating Cash Flow growth of at least 14%'
- Cable RGU net additions of approximately 6.5 million, 30% above 2006 RGU net additions' of 5 million
    - RGU outlook includes an expected decrease of 500,000 circuit-switched phone RGUs
- Cable capital expenditures of approximately $5.7 billion, including commercial services capital expenditures of approximately $250 million
- Corporate and other capital expenditures of approximately $250 million primarily due to the relocation of Comcast's headquarters
- Consolidated revenue growth of at least 11%[5]
- Consolidated Operating Cash Flow growth of at least 13%[5]
- Consolidated Free Cash Flow approximately the same as 2006

***See* notes on page 6**

Notes:

1 Operating Cash Flow percentage growth is adjusted as if stock options had been expensed in 2005. Operating income and earnings per share percentage growth are unadjusted. Per share amounts are not adjusted for today's announced stock split. See Tables 7-A and 7-B for reconciliation of "as adjusted" financial data.

2 Cable results are presented on a pro forma, as adjusted, basis. Pro forma results adjust only for certain acquisitions and dispositions, including Susquehanna Communications (April 2006), the Adelphia/Time Warner transactions (July 2006) and the dissolution of the TexaslKansas City cable partnership (effective January 1, 2007). Effective August 1, 2006, our economic interest in the Texas/Kansas City cable partnership tracked solely the performance of the Houston, TX cable systems. Accordingly, we included the systems' results in Cable pro forma data. Cable results are presented as if the transactions noted above were effective on January 1, 2005. The net impact of these transactions was to increase the number of basic cable subscribers by 2.6 million. These "As Adjusted" results are presented as if stock options had been expensed in 2005. Please refer to Tables 7-A and 7-B for a reconciliation of pro forma, "As Adjusted" financial data.

3 Represents the sum of basic and digital cable, high-speed Internet and net phone subscribers, excluding additional outlets. Subscriptions to DVR and/or HDTV services by existing Comcast Digital Cable customers do not result in additional RGUs.

4 Operating Cash Flow adjusted as if stock options had been expensed in 2005.

5 Pro forma consolidated results are presented on a pro forma, as adjusted, basis as described in note 2.

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Conference Call **Information**

Comcast Corporation will host a conference call with the financial community today February 1, 2007 at 8:30 a.m. Eastern Time (ET). The conference call will be broadcast live on the Company's Investor Relations website at www.cmcsa.com or www.cmcsk.com. A recording of the call will be available on the Investor Relations website starting at 12:30 p.m. ET on Thursday, February 1, 2007. To participate via telephone, please dial (800) 263-8495 with the conference ID number 5668483. A telephone replay will begin immediately following the call and will be available until Friday, February 2, 2007 at midnight Eastern Time (ET). To access the rebroadcast, please dial (800) 642-1687 and enter passcode number 5668483. To automatically receive Comcast financial news by email, please visit www.cmcsa.com or www.cmcsk.com and subscribe to email alerts.

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This press release contains forward-looking statements. Readers are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual events or our actual results to differ materially from those expressed in any such forward-looking statements. Readers are directed to Comcast's periodic and other reports filed with the Securities and Exchange Commission (SEC) for a description of such risks and uncertainties.

In this discussion, we sometimes refer to financial measures that are not presented according to generally accepted accounting principles in the U.S. (GAAP). Certain of these measures are considered "non-GAAP financial measures" under the SEC regulations: those rules require the supplemental explanations and reconciliations provided in Table 7 of this release. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

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About Comcast:

Comcast Corporation (Nasdaq: CMCSA. CMCSK) (http:iiwww.comcast.com) is the nation's leading provider of cable, entertainment and communications products and services. With 24.2 million cable customers, **11.5** million high-speed Internet customers. and 2.5 million voice customers. Comcast is principally involved in the development, management and operation of broadband cable networks and in the delivery of programming content. Corncast's programming networks and investments include E! Entertainment Television, Style Network, The Golf Channel. VERSUS (formerly OLN), G4, AZN Television. PBS KIDS Sprout, ***N*** One and four regional Comcast SportsNets. Comcast also has a majority ownership in Comcast-Spectacor, whose major hoidings include the Philadelphia Flyers NHL hockey team, the Philadelphia 76ers NBA basketball team and two large multipurpose arenas in Philadelphia.

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TABLE 1

Condensed Consolidated Statement of Operations
(Unaudited)

(dollars in millions, except per share data)	Three Months Ended December 31, 2006	Three Months Ended December 31, 2005	Twelve Months Ended December 31, 2006	Twelve Months Ended December 31, 2005
Revenues	$7,031	$5,416	$24,966	$21,075
Operating expenses	2,451	1,943	9,010	7,513
Selling, general and administrative expenses	1,986	1,433	6,514	5,490
	4,437	3,376	15,524	13,003
Operating cash flow	2,594	2,040	9,442	8,072
Depreciation expense	1,080	888	3,828	3,413
Amortization expense	296	303	995	1,138
	1,376	1,191	4,823	4,551
Operating income	1,218	849	4,619	3,521
Other income (expense)				
Interest expense	(562)	(462)	(2,064)	(1,795)
Investment income (loss), net	55	53	990	89
Equity in net (losses) income of affiliates	(38)	(23)	(124)	(42)
Other income (expense)	(21)	5	173	(53)
	(566)	(427)	(1,025)	(1,801)
Income before income taxes and minority interest	652	422	3,594	1,720
Income tax expense	(221)	(303)	(1,347)	(873)
Income before minority interest	431	119	2,247	847
Minority interest	(2)	(12)	(12)	(19)
Net income from continuing operations	429	107	2,235	828
Income from discontinued operations, net of tax		26	103	100
Gain (loss) on discontinued operations, net of tax	(39)		195	
Net income	$390	$133	$2,533	$928
Basic earnings per common share				
Income from continuing operations per common share	$ 0.21	$ 0.05	$ 1.06	$ 0.37
Income from discontinued operations per common share		0.01	0.05	0.05
Gain (loss) on discontinued operations per common share	(0.02)		0.09	
Net income per common share	$ 0.19	$ 0.06	$ 1.20	$ 0.42
Diluted earnings per common share				
Income from continuing operations per common share	$ 0.20	$ 0.05	$ 1.05	$ 1.00
Income from discontinued operations per common share		0.01	0.05	0.05
Gain (loss) on discontinued operations per common share	(0.02)		0.09	
Net income per common share	$ 0.18	$ 0.06	$ 1.19	$ 0.42
Basic weighted-average number of common shares	2,084	2,169	2,101	2,197
Diluted weighted-average number of common shares	2,109	2,179	2,120	2,208

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TABLE 2

Condensed Consolidated *Balance* Sheet

(Unaudited)

(dollars in millions)	December 31, 2006	December 31, 2005
ASSETS		
Current Assets		
Cash and cash equivalents	$1,239	$947
Investments	1,735	148
Accounts receivable, net	1,450	1.008
Other current assets	778	685
Current assets of discontinued operations		60
Total current assets	5,202	2,848
Investments	8,847	12,675
Property and equipment, net	21,248	17,704
Franchise rights	55,927	48.804
Goodwill	13,768	13,498
Other intangible assets, net	4.881	3.118
Other noncurrent assets, net	532	635
Noncurrent assets of discontinued operations, net		4,118
	$110,405	$103,400
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable and accrued expenses related to trade creditors	$2,862	$2,239
Accrued expenses and other current liabilities	3,032	2,482
Deferred income taxes	563	2
Current portion of long-term debt	sa3	1.689
Current liabilities of discontinued operations		112
Total current liabilities	7,440	6,524
Long-term debt, less current portion	27,992	21.682
Deferred income taxes	27,089	27,370
Other noncurrent liabilities	6,498	6,920
Minority interest	251	657
Noncurrent liabilities of discontinued operations		28
Stockholders' equity	41,135	40,219
	$110,405	$103.400

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TABLE 3

Condensed Consolidated Statement of Cash Flows
(Unaudited)

(dollars in millions)	Twelve Months Ended December 31, 2006	2005
OPERATING ACTIVITIES		
Net cash provided by operating activities	$6.618	$4,835
FINANCING ACTIVITIES		
Proceeds from borrowings	7,497	3,978
Retirements and repayments of debt	(2,039)	(2,706)
Repurchases of common stock	(2,347)	(2,313)
Issuances of common stock	410	93
Other	25	15
Net cash provided by (used in) financing activities	3,546	(933)
INVESTING ACTIVITIES		
Capital expenditures	(4,395)	(3,621)
Cash paid for intangible assets	(306)	(281)
Acquisitions, net of cash acquired	(5,110)	(199)
Proceeds from sales and restructuring of investments	2,720	861
Purchases of investments	(2,812)	(306)
Proceeds from sales (purchases) of short-term investments, net	33	(86)
Other investing activities	(2)	(116)
Net cash used in investing activities	(9.872)	(3,748)
INCREASE IN CASH AND CASH EQUIVALENTS	292	154
CASH AND CASH EQUIVALENTS, beginning of period	947	793
CASH AND CASH EQUIVALENTS, end of period	$1,239	$947

TABLE 4

Calculation of Free Cash Flow
(Unaudited) (1)

(dollars in millions)	Twelve Months Ended December 31, 2006	2005
Net Cash Provided by Operating Activities	$6,618	$4,835
Capital Expenditures	(4,395)	(3,621)
Cash paid for Intangible Assets	(306)	(281)
Non-operating items, net of tax	706	1,062
Free Cash Flow	$2,623	$1.995

(1) *See* Non-GAAP and Other Financial Measures in Table 7 for the definition of Free Cash Flow,

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TABLE 5

Pro Forma Financial Data by Business Segment

(Unaudited)"'

(dollars in millions)

	Cable	Programming (2)	Corporate and Other	Total
Three Months Ended December 31, 2006				
Revenues	56.894	$283	$90	$7,267
Operating Cash Flow	$2.749	$43	($109)	$2.683
Operating Income (Loss)	$1,357	$1	($120)	$1.238
Operating Cash Flow Margin	39.9%	15.4%	NM	36.9%
Capital Expenditures (3)	$1,381	($2)	$15	$1,394
Three Months Ended December 31.2005, as adjusted (4)				
Revenues	$6.029	$235	$72	$6.336
Operating Cash Flow	$2.348	$32	($77)	$2.303
Operating Income (Loss)	$922	($10)	($91)	$821
Operating Cash Flow Margin	38.9%	13.8%	NM	36.4%
Capital Expenditures (3)	$967	$5	$14	$986
Twelve Months Ended December 31, 2006				
Revenues	$26,339	$1,053	$203	$27,595
Operating Cash Flow	$10.511	$241	($362)	$10.390
Operating Income (Loss)	$5,246	$75	($430)	$4.891
Operating Cash Flow Margin	39.9%	22.9%	NM	37.7%
Capital Expenditures (3)	$4.640	$16	$30	$4.686
Twelve Months Ended December 31.2005, as adjusted (4)				
Revenues	$23,556	$919	$170	$24,645
Operating Cash Flaw	$9,132	$272	($313)	$9,091
Operating Income (Loss)	$3,652	$118	($363)	$3.407
Operating Cash Flow Margin	38.8%	29.6%	NM	36.9%
Capital Expenditures (3)	$4,030	$16	$38	$4.084

(1) See Non-GAAP and Other Financial Measures in Table 7. Historical financial data by business segment, as required under generally accepted accounting principles in the United States (GAAP), is available in the Company's annual report on Form 10-K. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

(2) Programming includes our national networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, VERSUS (formerly OLN), G4 and AZN Television.

(3) Our Cable segment's capital expenditures are comprised of the following categories:

	4Q06	4Q05	YTD 4Q06	YTD 4Q05
New Service Offerings				
Customer Premise Equipment (CPE)	5712	5512	$2.482	$2,080
Scalable Infrastructure	330	214	917	881
	1,042	726	3,399	2,961
Recurring Capital Projects				
Line Extensions	62	64	320	293
Support Capital	144	97	528	387
	206	161	848	680
Upgrades	133	80	393	389
Total	$1.381	5967	$4,640	54,030

CPE includes costs incurred at the customer residence to secure new customers, revenue units and additional bandwidth revenues (e.g. digital converters) Scalable infrastructure includes costs. not CPE or network related. to secure growth of new customers, revenue units and additional bandwidth revenues or provide service enhancements (e.g. headend equipment). Line extensions include network costs associated with entering new service areas (e.g. fiber/coaxial cable). Support capital includes costs associated with the replacement or enhancement of non-network assets due to obsolescence and wear out (e.g. non-network equipment. land, buildings and vehicles) Upgrades include costs to enhance or replace existing fiber/coaxial cable networks, including recurring betterments.

(4) Adjusted as ■ stock options had been expensed in 2005. See Tables 7-A and 7-B for Reconciliation of "As Adjusted" Financial Data

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TABLE 6

Pm Forma Data - Cable Seament Components

(Unaudited)

(dollars in millions except per subscriber and per unit data)	Three Months Ended December 31, 2006	2005	Twelve Months Ended December 31, 2006	2005
Revenues				
Video [3]	54214	$3.865	$16.599	$15.386
High-Speed Internet	1.454	1,184	5,451	4,445
Phone	302	171	955	658
Advertising	501	398	1,651	1,463
	226	229	908	877
Franchise Fees	197	182	715	727
Total Revenues	56.894	$6,029	$26,339	523.556
Programming Expense			55,406	$5,021
Operating Cash Flow [5]	$2,749	$2,348	$10.511	59,132
Operating Income [5]	51.357	$922	$5,246	53.652
Operating Cash Flow Margin [5]	39.9%	38.9%	39.9%	38.8%
Capital Expenditures	$1.381	$967	$4,640	54,030

	4Q06	4Q05	3Q06
Video			
Homes Passed (000's)	47,400	46,700	47,200
Basic *Subscribers (000's)*	24,161	24,081	24,051
Basic Penetration	51.0%	51.6%	50.9%
Quarterly Net Basic Subscriber Additions (000's)	110	28	10
Digital Subscribers (000's)	12,666	10.804	12,053
Digital Penetration	52 4%	44.9%	50.1%
Quarterly Net Digital Subscriber Additions (000's)	613	365	558
Digital Set-Top Boxes	19,492	16450	18.440
Monthly Average Video Revenue per Basic Subscriber	558 41	553 54	$57 75
Monthly Average Total Revenue per Basic Subscriber	$95.34	$83 51	591 89
High-Speed Internet			
"Available" Homes (000's)	46,902	45.912	46.731
Subscribers (000's)	11,487	9,619	11,000
Penetration	24.5%	21.0%	23.5%
Quarterly Net Subscriber Additions (000's)	488	436	536
Monthly Average Revenue per Subscriber	543.12	$41 99	$43 14
Phone			
Comcast Digital Voice			
"Available" Homes (000's)	32,435	18.580	30,800
Subscribers (000's)	1.855	306	1.348
Penetration	5.7%	1.6%	4 4%
Quarterly Net Subscriber Additions (000's)	508	147	483
Circuit Switched Phone			
"Available" Homes (000's)	8.866	8.462	8,858
Subscribers (000's)	652	986	740
Penetration	14%	11.7%	8.4%
Quarterly Net Subscriber Additions (000's)	(87)	(56)	(102)
Monthly Average Total Phone Revenue per Subscriber	543.92	$46.20	545.09
Total Revenue Generating Units (000's) [6]	50,822	45,796	49.190
Quarterly Net Additions	1,632	920	1.486

(1) See Non-GAAP and Other Financial Measures in Table 7. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

(2) Pro forms financial data includes the results of Susquehanna Communications acquired on April 30.2006, cable systems acquired in the Adelphia/Time Warner transactions on July 31, 2006, and cable systems serving Houston, Texas included as a result of the dissolution of our cable partnership with Time Warner, which was initiated in July 2006. The net impact of these transactions was *to increase the number of basic cable subscribers by 2.8 million.*

Pro forma subscriber data also includes 13,000 subscribers acquired in various small acquisitions during 2005 The impact of these acquisitions on our segment operating results was not material.

(3) Video revenues consist of our basic, expanded basic, digital, premium. pay-per-view and equipment services.

(4) Other revenues include installation revenues, guide revenues. commissions from electronic retailing, other product offerings, commercial data services and revenues of our digital media center and regional sports programming networks.

(5) Adjusted as if stock options had been expensed in 2005.

(6) Represents the sum of basic and digital video, high-speed Internet and net phone subscribers, excluding additional outlets. Subscriptions to DVR and/or HDTV services by existing Comcast Digital customers do not result in additional RGUs.

TABLE 7

Non-GAAP and Other Financial Measures

Operating Cash Flow is the primary basis used to measure the operational strength and performance of our businesses. Free Cash Flow is an additional performance measure used as an indicator of our ability to repay debt, make investments and return capital to investors, principally through stock repurchases. We also adjust certain historical data on a pro forma basis following significant acquisitions or dispositions to enhance comparability.

Operating Cash Flow is defined as operating income before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses on sale of assets, if any. As such, it eliminates the significant level of non-cash depreciation and amortization expense that results from the capital intensive nature of our businesses and intangible assets recognized in business combinations, and is unaffected by our capital structure or investment activities. Our management and Board of Directors use this measure in evaluating our consolidated operating performance and the operating performance of all of our operating segments. This metric is used to allocate resources and capital to our operating segments and is a significant performance measure in our annual incentive compensation programs. We believe that Operating Cash Flow is also useful to investors as it is one of the bases for comparing our operating performance with other companies in our industries, although our measure of Operating Cash Flow may not be directly comparable to similar measures used by other companies.

As Operating Cash Flow is the measure of our segment profit or loss, we reconcile it to operating income, the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States (GAAP), in the business segment footnote of our quarterly and annual financial statements. Therefore, we believe our measure of Operating Cash Flow for our business segments is not a "non-GAAP financial measure" as contemplated by Regulation G adopted by the Securities and Exchange Commission. Consolidated Operating Cash Flow is a non-GAAP financial measure.

Beginning in 2006, we changed our definition of Free Cash Flow, which is a non-GAAP financial measure, to mean "Net Cash Provided by Operating Activities From Continuing Operations" (as stated in our Consolidated Statement of Cash Flows) reduced by capital expenditures and cash paid for intangible assets; and increased by any payments related to certain non-operating items, net of estimated tax benefits (such as income taxes on investment sales, and non-recurring payments related to income tax and litigation contingencies of acquired companies). We believe that Free Cash Flow is also useful to investors as it is one of the bases for comparing our performance with other companies in our industries, although our measure of Free Cash Flow may not be comparable to similar measures used by other companies.

Pro forma data is used by management to evaluate performance when significant acquisitions or dispositions occur. Historical data reflects results of acquired businesses only after the acquisition dates while pro forma data enhances comparability of financial information between periods by adjusting the data as if the acquisitions (or dispositions) occurred at the beginning of the prior year. Our pro forma data is only adjusted for the timing of acquisitions and does not include adjustments for costs related to integration activities, cost savings or synergies that have been or may be achieved by the combined businesses. We believe our pro forma data is not a non-GAAP financial measure as contemplated by Regulation G.

In certain circumstances we also present data, as adjusted, in order to enhance comparability between periods. In connection with the adoption of FAS 123R, we have adjusted 2005 data as if stock options had been expensed.

Operating Cash Flow and Free Cash Flow should not be considered as substitutes for operating income (loss), net income (loss), net cash provided by operating activities or other measures of performance or liquidity reported in accordance with GAAP. Additionally, in the opinion of management, our pro forma data is not necessarily indicative of future results or what results would have been had the acquired businesses been operated by us after the assumed earlier date.

We provide reconciliations of Consolidated Operating Cash Flow in Table 1, Free Cash Flow in Table 4, Pro Forma and "As Adjusted" in Tables 7-A and 7-B, and Adjusted Net Income in Table 7-C.